

AGENDA

FRANKLIN CITY COUNCIL

MONDAY, November 9, 2015 – CITY HALL COUNCIL CHAMBERS – 207 W. SECOND AVE.

7:00 P.M.**Regular Meeting**

CALL TO ORDER MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEASE TURN OFF CELL PHONES MAYOR RAYSTINE D. JOHNSON-ASHBURN

PLEDGE OF ALLEGIANCE

CITIZENS' TIME Enroll Virginia Representative – Claressa Strawn

AMENDMENTS TO AGENDA

1. CONSENT AGENDA

A. Minutes: October 26, 2015 Regular Meeting

2. FINANCE

A. Financial Report: September, 2015

B. FY 2015 – 2016 City Budget Ordinance Amendment # 2016 – 07

3. OLD/NEW BUSINESS

A. Emergency Operations Plan Readoption Resolution # 2015 – 06

B. City Manager's Report

1. Portable Radio Communication System Upgrade

4. COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS5. CLOSED SESSION

Closed Session - I move that the Franklin City Council meet in Closed Session to discuss and consider appointments to boards and commissions; discussion concerning a prospective business or industry where no previous announcement has been made of the business or industry's interest in locating its facilities in the community; and consultation with the City Attorney pertaining to actual litigation, where such consultation or briefing in open meeting would adversely affect the litigating posture of the public body pursuant to Virginia Code Section 2.2 – 3711 (A) (1), (5) and (7).

Motion Upon Returning to Open Session- I move that the only matters discussed during the session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened.

6. ADJOURNMENT

UPCOMING ITEMS TO BE SCHEDULED

The items below are intended to be reflective, and not inclusive of all subjects staff is working on to bring forward to City Council in the next two months. Both the time lines and subject matter are subject to change and should not be considered final.

SUBJECT

TENTATIVE TIME LINE

City Council/School Board Joint Meeting

TBA

CONSENT AGENDA

A. Minutes: October 26, 2015 Regular Meeting

The Franklin City Council held its regular meeting on Monday, October 26, 2015 at 7:00 p.m. in the Council Chambers at City Hall.

Council Members in Attendance: Barry Cheatham, Vice-Mayor; Benny Burgess, Mary Hilliard, Frank Rabil, Mona Murphy and Greg McLemore (Mayor Raystine D. Johnson-Ashburn absent).

Staff in Attendance: Randy Martin, City Manager; Taylor Williams, City Attorney; Mark Bly, Director of Power and Light; Chief Vince Holt, Director of Emergency Services; Melissa Rollins, Finance Director; Russ Pace, Director of Public Works; Brenda Rickman, Commissioner of the Revenue; Carolyn Joyner, Human Resource Manager; Dinah Babb, Treasurer; Donald Goodwin, Director of Community Development; Alan Hogge, Director of Social Services; and Chief Phil Hardison, Police Department.

Others in Attendance: Officer Brian Snow, Franklin Police Department; Officer Quentin Livingston, Franklin Police Department; Sergeant Joseph Unser; Franklin Police Department; Dan Howe, Executive Director, Downtown Franklin Association, Inc. and Teresa Rose-McQuay; Administrative Assistant and Acting Secretary, Recording Minutes.

Vice-Mayor Cheatham informed all that Mayor Johnson-Ashburn had contacted the City Manager and advised she could not attend the meeting due to being out of state at a business conference.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by everyone in attendance.

Special Recognition: Employee Retirement Resolutions of Appreciation

Vice-Mayor Cheatham commented that today was a day of mixed emotions. We had four members of our staff to retire recently making it both happy for them reaching this milestone in their lives but sad that they will no longer be with us.

Vice-Mayor Cheatham asked the following Council members to read the resolutions for each member retiring. They were as follows: Councilwoman Murphy read the resolution for Debra Trump, Councilwoman Hilliard for Gerald Perkins, Councilman Burgess read the resolution for Corporal Albert Herdeg, and Councilman Rabil read the resolution for Marcellia Taylor. Unfortunately, not all the retirees could be present; however, Marcellia Taylor from the Treasurer's office did attend. The resolution plaque was presented by Vice-Mayor Cheatham and Treasurer Dinah Babb. She was congratulated and her picture was taken. Everyone in attendance applauded Ms. Taylor for her service to our city.

CITIZENS' TIME

Dr. Sharon Sheffield of 108 Fairview Drive, Franklin VA came to update Council on the work that is being done by the Western Tidewater Free Health Clinic located in Suffolk and serving this region. Dr. Sheffield informed Council of the accomplishments for 2015 which are: Hired a Full Time Physician, Dr. April Foster in August, they also implemented the Electronic Medical Records system, with services by Western Tidewater Mental Health they also offer mental health services, they offer dental services and hoping to add vision services as well. The clinic opened in 2007 and since that time they have helped over 4,000 unduplicated patients with service. They have seen great improvement since their beginning and

they thanked the City of Franklin for the ongoing support that is enabling them to help not only the citizens of Franklin but of the Western Tidewater region.

Mr. Thomas Council of 425 Bracey Street came and commented on the status of some playground equipment that is in need of repair and also asked for official notification from the Council concerning the fate of the Parks and Recreation Advisory Board. Mr. Council stated that the board has not had a meeting in some time and asked the Council for clarity concerning its fate. He wanted to know if the Board is still active or not and asked for written notification concerning this matter.

AMENDMENTS TO AGENDA

There were no amendments to the agenda.

Consent Agenda

Minutes: September 28, 2015 Regular Meeting

Vice-Mayor Cheatham asked if there were any corrections or changes to the minutes. Hearing none he asked for a motion. Councilwoman Hilliard made the motion to adopt the minutes of the September 28, 2015 Regular meeting as presented and Councilman Rabil seconded the motion. Vice-Mayor Cheatham asked if there were any questions or discussion on the motion: hearing none he called for a vote.

The motion was approved as follows:

Vice-Mayor Cheatham; AYE, Councilman McLemore; ABSTAIN; Councilman Burgess, AYE; Councilwoman Hillard, AYE; Councilwoman Murphy, AYE; and Councilman Rabil, AYE (Mayor Raystine D. Johnson-Ashburn absent).

Minutes: October 5, 2015 Called Meeting

Vice-Mayor Cheatham asked if there were any corrections or changes to the minutes. Hearing none he asked for a motion. Councilwoman Murphy made the motion to adopt the minutes of the October 5, 2015 Called meeting as presented and Councilwoman Hilliard seconded the motion. Vice-Mayor Cheatham asked if there were any questions or discussion on the motion: hearing none he called for a vote.

The motion was approved by a 6 – 0 vote (Mayor Raystine D. Johnson-Ashburn absent).

Departmental Reports

There were no questions or comments on the Departmental Reports.

Proclamation: October 29, 2015 – Arbor Day

Vice-Mayor Cheatham asked Councilwoman Hilliard to read the Arbor day proclamation. Vice-Mayor Cheatham asked if there were any further discussion or comments and hearing none asked for a motion. Councilman Burgess made the motion to accept the Arbor Day proclamation and Councilman Rabil seconded the motion.

The motion was approved by a 6 – 0 vote (Mayor Raystine D. Johnson-Ashburn absent).

Finance

Monthly Financial Report: August, 2015

Vice-Mayor Cheatham recognized Director Rollins to present the monthly Financial Report. Director Rollins reviewed highlights of the Financial Report for August, 2015.

General Fund Revenue Summary

- Collections for Real Estate taxes for the month of August 2015 were higher than August 2014.
- Local Taxes are overall tracking the same as the prior year period with \$624,337 realized collectively.
- Estimated meal taxes reflect a positive gain of 6% over the prior year period.
- Cigarette taxes are nearly the same as the prior year period reaching 21% of budget.
- Lodging taxes are slightly lower than the prior year period; however, receipts to date are in line with budget with 17% realized.
- Estimated sales tax revenue is tracking nearly the same as the prior year period with 15.3% of the budget realized at the end of the month.

In other Local, State and Federal Revenue:

- Other local tax revenue (i.e. permits, fees, fines, charges for services) collections at August 31, 2015 are lower the prior year period anticipated.
- Charges for services include the administrative transfer from the City's Enterprise Funds to the General Fund; the budget for FY 15 – 16 decreased slightly as a result of accurate cost allocation for administrative costs to the general fund. Other charges for services include ambulance billing charges which were slightly higher in August 2015 than the prior year period. Parks & recreation fees are also included in charges for services and reflect a decrease from the prior year period due to program offering changes by Parks & Recreation in FY 15 – 16.
- State and federal revenue represents communication taxes, personal property tax relief, railroad tax revenue (non-categorical aid) shared expenses and CJS Law Enforcement, Street & Highway Maintenance Funds and state grants (categorical aid) and just a small amount of federal grant funds budgeted for the new fiscal year. For the purpose of this report, none of the categorical aid is accrued, and therefore receipts for August 2015 are shown as zero.

General Fund Expenditure Summary

August 2015 expenditures for most categories are within the range of 16% of the total budget. Some categories such as Elections, Courts and Sheriff and Library will reflect a larger percent of the budget spent when compared to budget due to quarterly payments. Overall, general fund expenditures at the end of August at \$2.30 million are \$110,000 or 5.0% higher than the prior year period.

Enterprise Funds

Water & Sewer Fund

- Revenue from the sale of water and sewer service charges of \$429,000 at August 31 is less than the prior year period. This is the result of water and sewer adjustments (billing error) stemming from June 2015 and carried into July 2015. August 2015 billed revenue of \$258,522 is comparable to the prior year period revenue of \$257,961.
- Expenditures in the Fund are significantly less than the prior year as a result of system sewer improvements made in the prior fiscal year.
- The cash balance in the Fund at the end of the month is \$2.08 million, an increase from the \$1.81 million reported at August 2014 and a slight increase over the \$1.97 million reported in July 2015.

Solid Waste Fund

- Revenue for the Solid Waste Fund is on target with budgeted projections reaching 16.4% of budget and is comparable to the prior year period. Billed revenue in the fund reflects the reduction of the current year budgeted revenue resulting from the drop in the monthly solid waste fee to \$38.00 from \$39.74 in the prior year period.
- The cash balance in the Fund at the end of the month is \$516,372, an increase of 5% from the \$490,000 reported at June 30, 2015 and a \$38,000 or 8.0% increase from the prior year period.

Airport Fund Summary

- Cash in the Fund (negative Cash position) partly reflects ongoing capital outlay expenditures whereby revenue reimbursement is realized after expenditure.
- Revenue and operating expenditures are comparable to the prior year period.

Electric Fund Summary

- Revenue in the Electric Fund represents two months of billed revenue at \$2.38 million for the sale of energy (16.7% of budget); the prior year period reflects revenue from the sale of energy of \$2.18 million (15.4% of budget).
- Expenditures associated with the sale of energy at \$1.5 million are higher than the prior year period costs of \$1.09 million. The difference of \$400,000 has adversely impacted the Fund's available cash at the end of the period. Cost is within the budgeted projections.

Cash Balance

Cash in the Electric Fund reflect a loss from the prior year period at \$774,000 at the end of August 2015 versus \$1.09 million at the end of August 2014. Cash increased from the prior month by nearly \$50,000 from \$724,000.

The month of July 2015 experienced a decline in Cash from the prior month of \$118,000 while the prior year (July 2014 from June 2014) saw a gain in Cash of \$75,000. In essence, cash position from the prior

month reflects an adverse downward trend compared to the same time last year. While improvement has been made from July 2015 to August 2015, the fund's cash has not regained the prior year level as yet.

Vice-Mayor Cheatham asked if there were any questions or comments concerning the monthly finance report.

Councilman Burgess asked if the budget expenditures included detention; and if the city had already spent one third of the budget On Elections, Courts and Sheriff this year.

Director Rollins stated that yes it does include detention and we had spent that much of the budget; however, they are paid twice a year.

Councilman Burgess stated that he is concerned with the cash position in the electric fund. According to the graph we are flat in terms of our cash position and asked that we watch this to make sure that we don't lose ground and end up with a reduction in cash trend like the situation which occurred a few years ago.

OLD/NEW BUSINESS

VDOT Revenue Sharing Program Resolution #2015 – 05

Vice-Mayor Cheatham recognized Manager Martin to present the VDOT Revenue Sharing Program Resolution # 2015 – 05 to Council.

This is an application for funds in which the City will pay for half of the project and VDOT will reimburse the City for the other half of the project. The application is due to VDOT by December 1, 2015.

This project consists of rehabilitating two large diameter culvert pipes. One is located under Banks Street and the other is located under Oak Street. The current culverts are corrugated metal and well over fifty years old. They are in constant need of repair and have outlived their useful life. Our anticipated Drainage CIP funds would allow for the rehabilitation of one of the culverts in FY17 but with the VDOT matching funds we would be able to rehabilitate both culverts.

Manager Martin deferred to Director Pace to discuss this agenda item further. Director Pace noted that the resolution was to approve the application process. Vice-Mayor Cheatham asked Councilman McLemore to read aloud the VDOT Revenue Sharing Program Resolution #2015 – 05.

Councilwoman Murphy made the motion to approve the VDOT Revenue Sharing Program Resolution #2015-05 and Councilman Burgess seconded it.

The motion was approved by a 6 – 0 vote (Mayor Raystine D. Johnson-Ashburn absent).

Councilwoman Murphy asked Manager Martin for an update from the August 24, 2015 Council meeting where Chief Hardison and Communications Manager Bruce Edwards addressed Council concerning some communications problems that were occurring. These problems are affecting our hand held radios.

Manager Martin stated that over the past few weeks our communications hardware has had some critical issues that must be addressed. We have six band frequencies that all the city radios work from and two of them have failed and we cannot get them back in working order without spending some money to either

repair the equipment or replace it. Manager Martin recognized Chief Hardison to comment further on this matter to Council.

Chief Hardison acknowledged that two of the frequencies have failed and they have not been successful in reviving them. Chief Hardison stated that the frequencies are failing one after the other and as they fail there will need to be decisions made as to who can continue to use the hand held radios. Currently the departments that use the hand held radios are: Police, Fire and Rescue, Public Works, Power and Light, Schools and Community Development. If the failures continue to occur the Police department will have to disable other department's use of the system to maintain adequate safety measures for the Police and Fire and Rescue personnel. If we lose one more frequency, the system will have 50% capacity for 100% use.

Councilwoman Murphy asked Manager Martin to have an update for Council as to the actions and options that need to be taken due to the seriousness of the situation regarding these radio communications' issues.

Vice-Mayor Cheatham asked for further comments from other Council members concerning this issue.

Councilwoman Hilliard asked Manager Martin what is the timeframe that we are working on concerning this matter.

Manager Martin stated that we will have to make a decision whether we spend tens of thousands of dollars to repair the current system or replace the system for hundreds of thousands of dollars entirely as soon as possible or risk service impacts to nonemergency communications.

Councilman McLemore addressed the validity of the situation. He wanted to know when the system was initially installed or purchased.

Chief Hardison replied that this is the original system placed in the building when it was built.

Councilman McLemore asked if there had been updates done since then.

Chief Hardison responded that there have not been any updates to this system since it was initially acquired.

Manager Martin stated that the city has updated the telephone system and the computer software and hardware but the systems with the Police department are in most areas separate from the city. He reiterated that there have been grant funds obtained by the Police department that have assisted in upgrading the communications center and vehicles as well and those sources are very much appreciated. Manager Martin did reinforce that the current issues with the hand held radios and mobile communication system are a completely separate issue than those infrastructure items replaced in recent years.

Councilman Burgess asked what has caused the epic failure of the hand held radio system in relation to the computer system.

Chief Hardison replied that if you were in their building there are two boards. One is the radios and the other is for all the electronic equipment that supports the radios. At this point, the question is do we attempt to bandage the system or replace it entirely.

Vice-Mayor Cheatham asked Chief Hardison if this issue also had to do with the narrowing of the bands that was previously discussed at the Council meeting which will necessitate upgrading to digital equipment.

Chief Hardison replied yes that is also a factor that has to be taken into consideration as well. The current analog system will not support the band width change.

Manager Martin concurred and stated that Communications Manager Edwards had shared that with us at the previous meeting and because of the narrow banding issue that is forthcoming we will be forced to upgrade the system then any way, but the timing of that change is unknown at this time.

Councilman Rabil asked if this was an opportunity for consideration of options for another shared services agreement with Southampton County.

Vice-Mayor Cheatham stated that there is a Shared Services meeting later this week and he would ask that question then.

Councilman Burgess agreed that we should communicate with the County to see if they have already upgraded or share what equipment we are considering to be compatible with each other in order to be of assistance to each other.

Manager Martin stated that we may have to spend funds to repair in order to keep the system running until a longer term solution can be obtained. Manager Martin stated that this would be on an upcoming agenda with recommendations of the path to correct the issues.

Councilwoman Hilliard asked how long the period is to lease the equipment.

Manager Martin stated that it was typically five years for this type of equipment.

Councilwoman Murphy again asked Manager Martin to bring a recommendation back to Council as soon as possible in order to maintain optimal communications which are the backbone of the City.

Manager Martin reiterated that this matter is being thoroughly investigated and they are working on a solution to provide to Council as soon as possible.

Chief Hardison stated that these failures of the hand held radio system have just started happening in the last 30 to 45 days. They have patched them and they worked temporarily before failing completely.

Vice-Mayor Cheatham asked Manager Martin to pursue having an update on options and if possible a recommendation available at the next Council meeting.

Manager Martin stated that he would keep Council apprised of the situation and provide an update but he was hesitant to commit being prepared to make a final recommendation at the next scheduled meeting.

Councilman Rabil asked Chief Hardison if there were any grants available to assist with this situation.

Chief Hardison answered that there unfortunately are no grant funds he is aware of to assist with this matter.

City Manager's Report

Manager Martin brought to Council's attention the efforts of the Planning Commission to consider regulatory changes impacting development in areas at or near base flood elevations in the city. The Planning Commission has scheduled a work session for November 19, 2015 to further discuss a draft ordinance that has been prepared by staff built around a model ordinance that is required by the state's regulatory authorities for local governments to elevate new construction in low lying areas above the base flood elevation. This will qualify city properties going forward for reductions in premiums for flood insurance.

COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS

Councilwoman Hilliard gave an overview on her recent tour of the Franklin High School. They viewed the heating and air conditioning units in the JROTC classrooms and the Building Trades classroom which are part of the QZAB project. They viewed the use of smartboards in a English class and a History class as well as the audio visual enhancements that are being utilized that were also part of the QZAB project. They were updated on the wireless internet that was installed throughout the building. They were updated on all heating and air units that were installed in every teacher's classroom. They received detailed information on the exterior lighting that has been replaced with energy efficient and time controlled illumination. They viewed the new kitchen equipment in the Cafeteria and the Parent Resource Center, career counseling center, and the new scoreboards in the gymnasium. Councilwoman Hilliard commented that she was able to tour all three schools and she found the information thorough and very informative.

Councilwoman Murphy gave an overview of her tour of J. P. King Middle School and S.P. Morton Elementary Schools. They were told about the new heating and air units that were installed; new kitchen equipment in the cafeteria; and the wireless internet installed throughout the buildings. They visited two of the classrooms to see the laptops and audio visual enhancements and how they are being utilized. They also saw how the mobile control unit was used by Mr. Custer. Councilwoman Murphy stated that this was an open campus with non-traditional education. They saw the new intranet that was installed at S. P. Morton Elementary school. Councilwoman Murphy commented that she would like to see the modular buildings replaced due to the fact that they have outlasted their usefulness. Councilwoman Murphy stated that she would like for the other Council members to go to the schools and see what is going on; she stated that there are wonderful things going on at all three of the city's schools.

Councilman Rabil updated council on all the activities going on downtown. The Franklin Fall Festival has been moved to November 13 – 14, 2015. Some of the downtown merchants are staying open later in preparation of the holiday season. Councilman Rabil acknowledged DFA Executive Director Dan Howe to update the council further on downtown happenings.

Director Howe stated that downtown is up and running for the holidays. Downtown Divas are having a holiday extravaganza the first weekend in November. This coming Friday is the traditional downtown Trick-or-Treat. Christmas Open House is on November 21, 2015. Small business Saturday is on November 28, 2015. The Elf Parade is on December 3, 2015 and the Franklin Community Christmas Parade is on December 4, 2015; the theme this year is "The City of Angels". The Downtown Divas are doing an Old Timey Christmas on December 11th and 12th. There is something to do Downtown every weekend; Director Howe invited everyone to come out and enjoy the fun.

Councilman Burgess reported on the Shared Services meetings that have been held over the last twelve to fifteen months on City/County Wastewater treatment services and opportunities. They had received a grant and have been working with Engineers and they have completed a report. The Shared Service members are working to consolidate the report. It is going to be interesting what the outcome is going to be. They are working on a presentation to give to both the City Council and the County Board of Supervisors. There will be a smaller group of the Shared Services Committee that will be meeting on Thursday, October 29, 2015 to narrow the report and work on a presentation of the material.

Vice-Mayor Cheatham asked Councilman Burgess if they had a projected timeframe for the presentation.

Councilman Burgess stated that there are no specifics on the timeframe but they want to make sure that it is presented to the Council, the Board of Supervisors and the citizens as soon as possible. The committee was delayed in getting the report back due to the complicated nature of specifics that were detailed in the report.

Vice-Mayor Cheatham reported on the Western Tidewater Regional Jail Authority meeting. Vice-Mayor Cheatham stated that the number of federal inmates is higher than expected which generates more revenue than budgeted. Vice-Mayor Cheatham commented about the energy savings rehabilitation projects that are ongoing are coming along; they have replaced all the boilers that had been in place since the building was built. All the indications on the project show that it will significantly save on the utilities.

Vice-Mayor Cheatham also reported on the meetings with the HRPTO and the HRPDC. He reported that they were routine meetings with nothing significant to report.

Attorney Williams gave an update on SPSA. He reported that they are reaching a point where they can finalize a new use and support agreement for member consideration. They have been moving at a slower pace than what they had anticipated. They are anticipating bringing the information to Council sometime in early 2016. Attorney Williams stated that the new use and support agreement costs for disposal will be cheaper than what the rates are currently.

Councilwoman Hilliard asked Attorney Williams about the news reports about SPSA and Wheelabrator which she found to be disturbing because she had not heard anything about it before today.

Attorney Williams stated that he was reluctant to comment about that because SPSA has not made a final decision about the new use and support agreement or disposal options being considered. It would not be prudent to comment on negotiations at this time because SPSA is still evaluating all the bids and they have not become public at this time.

Manager Martin stated that the news event occurred this afternoon. Specifically, a retired Admiral wrote a letter raising some concerns about the decision that is forthcoming and the potential impacts that it could have on the Naval Shipyards. At this point it is a confidential negotiation by SPSA and they are not at liberty to discuss that publicly as stated by the City Attorney. The letter in question was on the Governor's office letterhead and was advocating for SPSA to consider the current disposal option even if it cost more or risk impacts on naval operations.

Closed Session

Councilwoman Hilliard made the motion that the Franklin City Council meet in Closed Session to discuss and consider appointments to boards and commissions and consultation with the City Attorney pertaining to actual litigation, where such consultation or briefing in open meeting would adversely affect the litigating posture of the public body pursuant to Virginia Code Section 2.2 – 3711 (A) (1) and (7) and Councilman Burgess seconded the motion.

The motion was approved by a 6 – 0 vote (Mayor Johnson-Ashburn absent).

The Council entered into closed session at 8:30 p.m.

Vice-Mayor Cheatham reconvened the open session at 10:15 p.m. and asked for a motion certifying the closed session.

Councilman Rabil made a motion certifying that the only matters discussed during the closed session were those lawfully exempted from open meeting requirements and identified in the motion by which the closed session was convened. The motion was seconded by Councilman Burgess.

The motion was approved by a 6 – 0 vote (Mayor Johnson-Ashburn absent).

Adjournment

Councilwoman Murphy made a motion to adjourn the meeting which was seconded by Councilman Burgess.

The motion was approved by a 6 – 0 vote (Mayor Johnson-Ashburn absent).

Vice-Mayor Cheatham declared the meeting adjourned at 10:16 p.m.

These Minutes for October 26, 2015 City Council Meeting were adopted on the 9th day of November, 2015.

Mayor

Clerk to City Council

FINANCE

A. Financial Report: September, 2015

B. FY 2015 – 2016 City Budget Ordinance Amendment # 2016 – 07



**Monthly Financial Report Summary (Unaudited)
for the 1st Quarter Ending September 30, 2015**

General Fund Revenue Assumptions

Accruals: Local Sales & Use Taxes, Meals Taxes, Lodging Taxes and Ambulance Service Charges. The Financial Report has been modified to adjust for these revenue sources on an accrual basis.

General Fund Revenue Summary

The General Fund is the City’s primary operating fund and is used to account for all resources except those that are required to be accounted for in another fund. With the 1st quarter of the fiscal year complete, General Fund Revenues are nearly \$500,000 less than the prior year period. While some local revenue sources increased overall, the primary factor attributing to the decrease is the timing of Revenue Sharing from IOW County. These funds were remitted to the City in August of 2014 (FY 14-15) and were remitted in the current fiscal year (FY 15-16) in October. Overall, General Fund revenue of \$2.70 million at the end of September 30, 2015 is 13.4% of budget compared to \$3.17 million or 16.0% of budget at September 30, 2014. An overview of the various local, state and federal sources is as follows:

Property Tax Revenue

- The first quarter of the fiscal year reflects a 22% increase in general property tax collections over the prior year period mostly attributed to an increase in current and real estate taxes realized at 9/30/15 compared to prior year period. Delinquent personal property tax revenue is slightly behind the prior year while penalties and interest are tracking in a similar fashion as last year.

REVENUE SOURCE	ACTUAL	ACTUAL	Prior Year Change	
	9/30/2015	9/30/2014	Dollar and %	
Real Estate Taxes-Current	\$ 113,716	\$ 82,195	\$ 31,521	38%
Real Estate Taxes-Delinquent	74,014	54,545	\$ 19,469	36%
Personal Property Taxes-Delinquent	14,592	22,971	\$ (8,379)	-36%
Penalties & Interest Taxes	32,175	32,128	\$ 47	0%
GENERAL PROPERTY TAX	\$ 234,497	\$ 191,839	\$ 42,658	22%

Local Taxes

- Taxes indicative of the City’s local economy are overall tracking slightly higher than the prior year period.



- While meals taxes earned in the first quarter reflect a positive gain of 6.1%, revenue from lodging taxes reflect less favorable trends as shown in Table 1. Cigarette and sales taxes are tracking nearly the same as the prior year period.
- All sources, except projected sales and use taxes, are on target with budgeted projections at greater than 25% of budget realized at the end of the quarter.

Table 1

	Meals Taxes	Lodging Taxes	Cigarette Taxes	Sales Taxes	Total
Sep-14	350,016	47,208	98,587	415,048	910,859
Sep-15	372,776	38,761	97,262	416,829	925,628
Change \$	22,760	(8,447)	(1,325)	1,781	14,769
Change %	6.11%	-21.79%	-1.36%	0.43%	1.60%
% of Budget	27.6	25.8	29.9	23.2	

Other Local, State & Federal Revenue

- Other local tax revenue (i.e. permits, fees, and fines) collections at the end of the quarter are lower than the prior year period as anticipated. Building permit revenue surged in the prior year resulting from housing authority renovations.
- Charges for services include the administrative transfer from the City's Enterprise Funds to the General Fund; the budget for FY15-16 decreased slightly as a result of accurate cost allocation for administrative costs to the general fund. Other charges for services include ambulance billing charges which were slightly higher in September 2015 than the prior period. Parks & recreation fees are also included in charges for services and reflect a decrease from the prior year period due to program offering changes by Parks & Recreation in FY 15-16.
- Miscellaneous revenue is significantly higher than the prior year period as a result of real estate sale transactions and late penalty fees reflected in the General Fund. As previously reported, the City had not received the revenue sharing annexation payment from Isle of Wight County as of September 30, 2015. As a result, the City's net income as shown on page three of the financial report in addition to operating revenue will show a less than favorable trend when compared to the prior year period.
- State & federal revenue represents communication taxes, personal property tax relief, railroad tax revenue (non-categorical aid). The amount at the end of the quarter is comparable to the prior year period. CJS Law Enforcement, Street & Highway Maintenance Funds and state grants (categorical aid) are normally received at the end of the quarter. Revenue at the end of the



quarter is slightly less per budget when compared to the prior year period. Nearly 25% of the budget has been realized, similar to the prior year.

- Overall, total current general fund revenue reported at **\$3.08 mil** (13.75% of budget) is a net \$430,000 or 14.0% less when compared to the **\$3.52 mil** (nearly 15.0% of budget) realized at 9/30/14. The decrease is primarily associated with:

Revenue Sharing IOW County (Decrease) -	(\$600,000)
Permits, Fees & Fines (Decrease) -	(\$ 44,000)
Misc. Revenue (Increase)-	\$ 140,000
Taxes & Licenses (Increase) -	\$ 35,000
Charges for Services (Increase) -	\$ 17,000
Tranfers In from Other Funds (Increase)-	\$ 34,000
Net Reduction	(\$418,000)

General Fund Expenditure Summary

General Fund expenditures overall are 8.5% higher than the prior year period at 9/30 with \$3.34 mil or 23.1% of the budget spent at 9/30/15 compared to \$3.08 mil or 20.4% of the budget spent at 9/30/14. Elections, Courts and Sheriff (Judicial Administration) category increased resulting from the budgeted increase in the required quarterly contribution to the regional jail; general government increase is due to capital outlay expenditures in Information Technology including the New Software Project. Other significant variances are as shown below:

<u>Category of Expenditure</u>	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>Variance</u>	<u>Primary Reason for Decrease/Increase</u>
Elections, Courts & Sheriff	490,206	454,857	35,349	Increased payment for detention care
Law Enforcement	826,982	784,635	42,347	PSAP grant expenditures
Legislative, Gen. & Finance	567,678	459,014	108,664	Information Technology One Time Expenditures
Fire & Rescue	<u>523,704</u>	<u>500,253</u>	<u>23,451</u>	Worker's Comp & Grant Expenditure
Total	2,408,570	2,198,759	209,811	

Water & Sewer Fund Summary

- Revenue from the sale of water and sewer service charges of \$668,977 at Sept 30 is less than the prior period. This is the result of water and sewer adjustments (billing error) stemming from June 2015 and carried into July 2015. September 2015 billed revenue of \$240,039 is comparable to the prior year period.



- Expenditures in the Fund are significantly less than the prior year as a result of system sewer improvements made in the prior fiscal year.
- The cash balance in the Fund at the end of the month is \$1.98 million, an increase from the \$1.90 million reported at September 2014; cash decreased from the balance of \$2.08 million reported August 2015.

Solid Waste Fund Summary

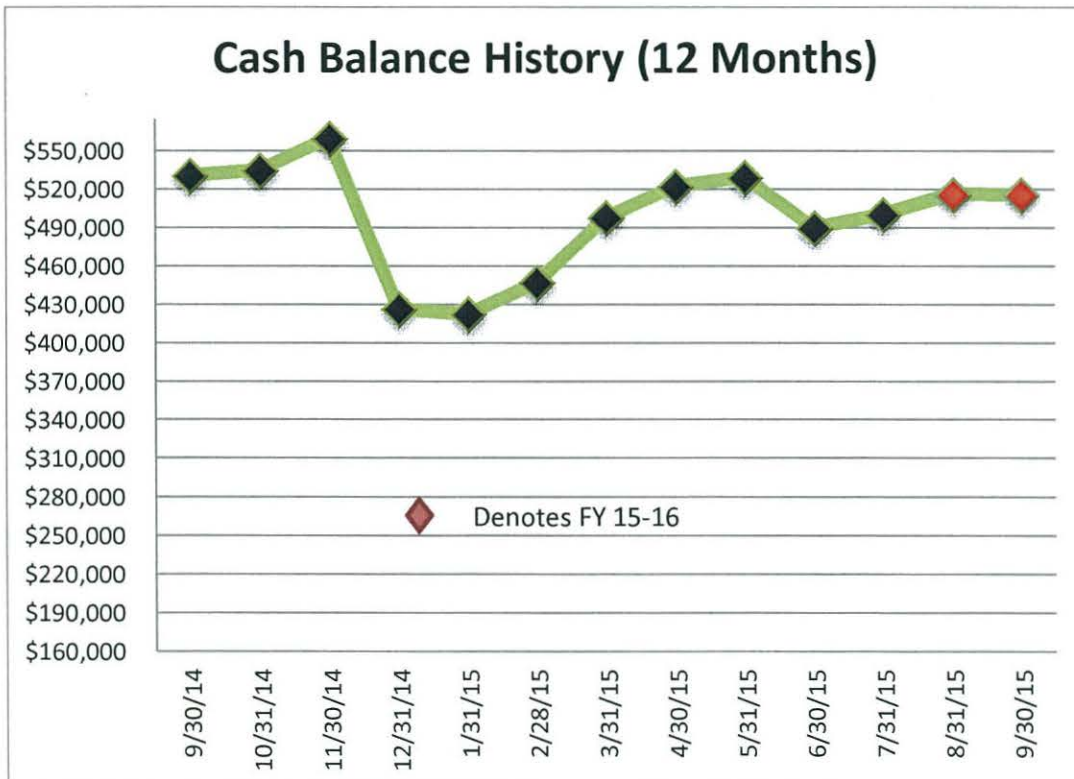
- Revenue for the Solid Waste Fund is on target with budgeted projections reaching nearly 25% of budget and is comparable to the prior year period. Billed revenue in the fund reflects the reduction of the current year budgeted revenue resulting from the drop in the monthly solid waste fee to \$38.00 from \$39.74 in the prior year period.
- The cash balance in the Fund at the end of the month is \$516,226, an increase of 5.0% from the \$490,000 reported at June 30, 2015 and slightly less (\$14,000) than the cash reported in the prior year period. No significant change is noted from the prior month.
- Total expenditures as shown at \$160,145 is slightly under the prior period expenses and represents 16.6% of the total budget.

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Below is a snapshot of the funds' cash position by month for fiscal year 2014-2015 and the current year (FY2015-2016 cash balance).

FYE 6/30/15		
Month	Cash Balance	Variance
30-Jun	\$438,294	
31-Jul	\$460,019	\$21,725
31-Aug	\$478,038	\$18,019
30-Sep	\$530,723	\$52,685
31-Oct	\$534,742	\$4,019
30-Nov	\$560,877	\$26,135
31-Dec	\$426,565	(\$134,312)
31-Jan	\$422,523	(\$4,042)
28-Feb	\$446,966	\$24,443
31-Mar	\$498,207	\$51,241
30-Apr	\$522,444	\$24,237
31-Aug	\$529,345	\$6,901
30-Jun	\$489,888	(\$39,457)
Net Change Since July 31, 2014		\$51,594

FYE 6/30/16		
Month	Cash Balance	Variance
30-Jun	\$489,888	
31-Jul	\$500,732	\$10,844
31-Aug	\$516,372	\$15,640
30-Sep	\$516,226	(\$146)
31-Oct		
30-Nov		
31-Dec		
31-Jan		
28-Feb		
31-Mar		
30-Apr		
31-Aug		
30-Jun		
Net Change Since July 31, 2015		\$26,338





Airport Fund Summary

- Fuel sales of \$12,000 at 9/30/15 are less than the prior year period.
- Other local revenue consists primarily of airport rental fees and is also slightly less than the revenue realized during the prior year period.
- Expenditures at 9/30/15 are higher than the prior year period as a result of fuel purchases in the month of September.

Electric Fund Summary

- Revenue in the Electric Fund represents three months of billed revenue at \$3.4 million for the sale of energy (23.9% of budget); the prior year period reflects revenue from the sale of energy of \$3.19 million (22.6% of budget).
- Expenditures associated with the sale of energy (excluding fuel adjustment) at \$2.22 mil are 2.7% higher than the prior year period costs of \$2.16 mil. Cost is within the budgeted projections.

CASH BALANCE

Cash in the Electric Fund at 9/30/14 was \$1.649 mil, as shown on the report of Cash Balances, **largely due to the billing error that was corrected by Dominion in the next month.** Outside this error, the cash balance was approximately \$1.220 mil.

September 2015 cash position shows favorable improvement increasing by \$168,000 from the prior month cash balance of \$774,000 as shown in Table 1.

Note: Previous month financial report indicated no change in the cash balance from August to September 2015. The change of \$168,000 is the result of a journal entry for the reimbursement of loan proceeds that was not taken into consideration when the estimated cash balance was reported (the Journal Entry is below):

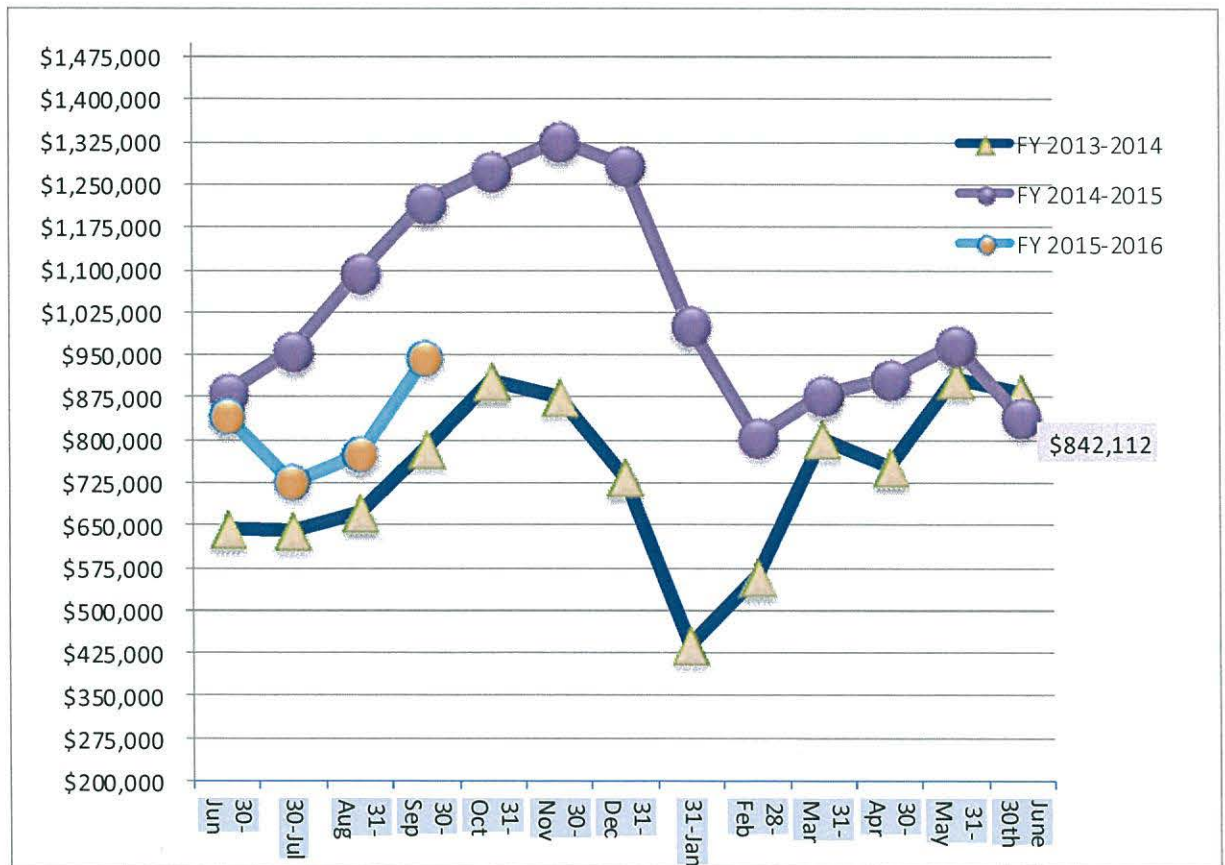
10242015 JE 1 0000854 \$179,824.00 201509

For the purpose of this graph, the cash balance is shown at \$1.220 mil rather than the \$1.649 mil as reflected in the City’s financial statements in September 2014. This avoids the appearance of a huge spike in cash that resulted from the billing error.



October 2015 cash is expected to show a gain in cash to \$975,000.

Table (1) – Past Fiscal Year History (3 Years) & Current Fiscal Year – Electric Fund Cash Position





Cash Balance Policy Evaluation

FY 2015-16 Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at **FYE 9/30/2015** = **\$942,197mil** or 6.5%.

FY 2015 TOTAL REVENUE	15,812,638
Less Fuel Adjustment	(1,349,299)
Budget Basis for Policy	14,463,339
10% of Annual Revenue	\$ 1,446,334

FY 2014-15 Cash Balance as a Percentage of Annual Revenues (excluding fuel adjustment) at **FYE 9/30/14** = **\$1.220*** or 8.5%.
*Considers adjustment for Dominion Billing Error

Policy Evaluation: At the end of the month cash is below minimum policy level by **\$504,000**. FY 15-16 reflects an estimated \$278,000 reduction in the Fund's cash position from the prior year period. In FY 14-15, cash in the Fund was below minimum policy level (\$1.430 million) by **\$230,000** at the end of same period.

Table 2.
FY 2015-2016 REVENUE BILLED VERSUS PAYMENTS COLLECTED ANALYSIS

	July	August	September	TOTAL**
BILLING	\$ 1,320,443	\$ 1,256,179	\$ 1,104,760	\$ 3,681,382
TOTAL PAYMENTS*	\$ 1,185,914	\$ 1,292,900	\$ 1,243,163	\$ 3,721,977
VARIANCE	\$ (134,529)	\$ 36,721	\$ 138,403	\$ 40,595



Table 2.
FY 2014-2015 REVENUE BILLED VERSUS PAYMENTS
COLLECTED ANALYSIS

	July	August	September	TOTAL**
BILLING	\$ 1,369,562	\$ 1,152,150	\$ 1,166,632	\$ 3,688,344
TOTAL PAYMENTS*	\$ 1,154,236	\$ 1,306,546	\$ 1,186,063	\$ 3,646,845
VARIANCE	\$ (215,326)	\$ 154,396	\$ 19,431	\$ (41,499)

Total YTD - 98.8% of total billing amount has been collected

Table 3.
FY 2013-2014 REVENUE BILLED VERSUS PAYMENTS
COLLECTED ANALYSIS

	July	August	September	TOTAL**
BILLING	\$ 1,313,838	\$ 1,230,838	\$ 1,065,392	\$ 3,610,068
TOTAL PAYMENTS*	\$ 1,065,604	\$ 1,233,896	\$ 1,215,170	\$ 3,514,670
VARIANCE	\$ (248,234)	\$ 3,058	\$ 149,778	\$ (95,398)

Total YTD – 97.3% of total billing amount has been collected

**Total Payments reflects the payments received by customers monthly, payment could be for any billing period.

Financial Report
Period Ending September 2015

(Unaudited)

CITY OF FRANKLIN						
FISCAL YEAR 2015-2016						
LOCAL TAX REVENUES						
	2015-2016	ACTUAL	BUDGET	2014-2015	ACTUAL	BUDGET
REVENUE SOURCE	BUDGET	9/30/2015	%	BUDGET	9/30/2014	%
Real Estate Taxes-Current	\$ 5,456,874	\$ 113,716	2.1%	\$ 5,283,742	\$ 82,195	1.6%
Real Estate Taxes-Delinquent	190,000	74,014	39.0%	190,000	54,545	28.7%
Personal Property Taxes-Current	1,450,000	-	0.0%	1,367,446	1,426	0.1%
Personal Property Taxes-Delinquent	65,000	14,592	22.4%	65,000	22,971	35.3%
Machinery & Tools	23,577	0	0.0%	65,000	280	0.4%
Penalties & Interest Taxes	145,000	32,175	22.2%	135,000	32,127	23.8%
Public Service Corporation Taxes	66,863	0	0.0%	61,818	0	0.0%
GENERAL PROPERTY TAX	\$ 7,397,314	\$ 234,497	3.2%	\$ 7,168,006	\$ 193,544	2.7%
Local Sales & Use Tax	\$ 1,800,000	\$ 416,829	23.2%	\$ 1,750,000	\$ 415,048	23.7%
Consumer Utility Tax- Elec. & Water	480,000	\$ 145,758	30.4%	540,000	\$ 141,892	26.3%
Business License Tax	950,500	\$ 1,333	0.1%	930,500	\$ 12,122	1.3%
Motor Vehicle Licenses	180,000	\$ 4,559	2.5%	170,000	\$ 9,322	5.5%
Cigarette Tax	325,000	\$ 97,262	29.9%	300,000	\$ 98,587	32.9%
Restaurant Meals Tax	1,350,000	\$ 372,776	27.6%	1,260,000	\$ 350,016	27.8%
Lodging Taxes	150,000	\$ 38,761	25.8%	150,000	\$ 47,208	31.5%
Bank Stock	65,000		0.0%	58,000	\$ -	0.0%
Tax on Recordation & Wills	45,000	\$ 5,268	11.7%	35,000	\$ 15,173	43.4%
Right of Way Use Fees	25,000	\$ 4,689	18.8%	25,000	\$ 5,723	22.9%
Additional Taxes	2,500	\$ 1,964	0.0%	-	\$ 742	0.0%
OTHER LOCAL TAXES	\$ 5,373,000	\$ 1,089,199	20.3%	\$ 5,218,500	\$ 1,095,833	21.0%
TOTAL TAXES & LICENSES	\$ 12,770,314	\$ 1,323,696	10.4%	\$ 12,386,506	\$ 1,289,377	10.4%
			1			

FINANCIAL REPORT AS OF SEPT, 2015 - 3 Month = 25%						
	CURRENT	ACTUAL	BUDGET	2014-2015	ACTUAL	BUDGET
REVENUE:	BUDGET	9/30/2015	%	BUDGET	9/30/2015	%
Taxes; Licenses	\$ 12,770,314	\$ 1,323,696	10.37%	\$ 12,386,506	\$ 1,289,377	10.41%
Permits, Fees, Fines	203,100	43,814	21.57%	231,836	87,350	37.68%
Use of Money & Property	270,848	125,022	46.16%	242,522	123,863	51.07%
Charges for Services:						
Court Services	9,300	884	9.51%	9,300	1,528	16.43%
Fire & Rescue	425,000	110,469	25.99%	463,519	89,674	19.35%
Animal & Building Services	17,100	-	0.00%	16,600	30	0.18%
Waste Removal Services	5,650	1,816	32.14%	13,900	1,041	7.49%
Administrative Services	932,192	234,956	25.20%	940,390	235,097	25.00%
Recreational Services	12,500	1,669	13.35%	15,100	5,015	33.21%
Total Charges for Services	1,401,742	349,794	24.95%	1,458,809	332,385	22.78%
Miscellaneous	444,742	177,546	39.92%	153,492	32,776	21.35%
Recovered Costs	281,000	11,862	4.22%	335,000	2,820	0.84%
Isle of Wight Rev. Sharing	680,000	-	0.00%	600,000	600,000	100.00%
Total Misc. & Recovered Costs	1,405,742	189,408	0	1,088,492	635,596	58.39%
State Aid:						
Non Categorical Aid	1,666,597	154,127	9.25%	1,675,397	157,412	9.40%
Shared Expenses	183,096	10,888	5.95%	179,500	21,941	12.22%
Categorical Aid	2,106,644	514,268	24.41%	2,151,702	527,852	24.53%
Total State Aid	3,956,337	679,283	17.17%	4,006,599	707,205	17.65%
Federal Aid	66,595	-	0.00%	429,603	-	0.00%
Subtotal Operating Revenue	\$ 20,074,678	\$ 2,699,155	13.45%	\$ 19,844,367	\$ 3,175,776	16.00%
EXPENDITURES:						
Operating Expense:						
Legislative, General & Financial	\$ 2,285,371	\$ 567,678	24.84%	\$ 2,297,057	\$ 304,423	13.25%
Elections, Courts, Sheriff	1,402,541	490,206	34.95%	1,397,193	441,036	31.57%
Law Enforcement	3,618,918	826,982	22.85%	3,640,505	514,978	14.15%
Fire and Rescue	2,347,727	523,704	22.31%	2,393,892	339,219	14.17%
Community Development	510,282	111,348	21.82%	501,636	67,759	13.51%
Streets	1,865,091	316,480	16.97%	2,169,729	179,355	8.27%
Garage	230,282	48,119	20.90%	240,067	28,957	12.06%
Buildings and Grounds	1,010,888	206,309	20.41%	1,024,754	128,837	12.57%
Health	156,198	-	0.00%	156,198	-	0.00%
Parks and Recreation	450,190	120,638	26.80%	544,534	87,535	16.08%
Library	296,412	65,289	22.03%	292,373	64,401	22.03%
Planning & Beautification	174,966	56,551	32.32%	310,089	33,474	10.79%
Downtown Development	107,093	14,373	13.42%	107,093	9,289	8.67%
Subtotal- Operating Expenses	14,455,959	3,347,677	23.16%	15,075,120	2,199,263	14.59%
			2			

GENERAL FUND CONT'D						
	CURRENT	ACTUAL	BUDGET	2014-2015	ACTUAL	BUDGET
EXPENDITURES:	BUDGET		%	BUDGET		%
Payments to Southampton Co.	\$ 700,000	\$ -	0.00%	\$ 750,000	\$ -	0.00%
Non-Departmental Miscellaneous	21,000	10,329	49.19%	21,000	6,619	31.52%
Pass through Contributions	-	-	0.00%	-	-	0.00%
Total Operating Expense	\$ 15,176,959	\$ 3,358,006	22.13%	\$ 15,846,120	\$ 3,091,682	19.51%
Net Operating Income	\$ 4,897,719	\$ (646,713)	-13.20%	\$ 3,998,247	\$ 84,094	2.10%
TRANSFERS - IN:						
Transfer from Electric Fund	1,409,891	352,473	25.00%	1,409,891	352,473	25.00%
Use of Prior Year Fund Balance	343,595		0.00%	521,266	-	0.00%
Transfer from Proprietary Funds	137,710	34,428	25.00%	-		
Use of Restricted Fund Balance				127,800		
Use of Fund Bal Reserve for Debt	475,028	-	0.00%	927,409	-	0.00%
Total Transfers In	\$ 2,366,224	\$ 386,901	16.35%	\$ 2,986,366	\$ 352,473	11.80%
Total Revenue	\$ 22,440,903	\$ 3,098,194	13.81%	\$ 22,830,733	\$ 3,528,249	15.45%
To General Debt	\$ 479,150	\$ 181,828	37.95%	\$ 413,130	\$ 178,402	43.18%
To School Debt	634,392	-	0.00%	591,182	-	0.00%
To Water Fund	-	-	0.00%	-	-	0.00%
To Electric Fund	-	-	0.00%	-	-	0.00%
To Airport Fund	79,305	-	0.00%	112,247	-	0.00%
To Education Fund	4,987,395	1,246,849	25.00%	4,837,395	1,209,349	25.00%
To Education Fund-Carryover	343,545	-	0.00%	345,594		
To Social Services Fund	471,293	-	0.00%	456,738	-	0.00%
To Comprehensive Services Act	119,644	-	0.00%	135,000	-	0.00%
To Economic Dev Incubator	24,220	-	0.00%	57,833	-	0.00%
To Economic Dev Joint Fund	125,000	-	0.00%	125,000	\$ -	0.00%
Total Transfers Out	\$ 7,263,944	\$ 1,428,677	19.67%	\$ 7,074,119	\$ 1,387,751	19.62%
Total Expenditures	\$ 22,440,903	\$ 4,786,683		\$ 22,920,239	\$ 4,479,433	
NET INCOME	\$ -	\$ (1,688,489)	3	\$ -	\$ (951,184)	

WATER AND SEWER FUND						
	CURRENT	ACTUAL	BUDGET	2014-2015	ACTUAL	BUDGET
REVENUES:	BUDGET		%	BUDGET		%
Sale of Water	\$ 1,300,000	\$ 293,620	22.59%	\$ 1,300,000	\$ 314,801	24.22%
Sewer Service Charges	1,750,000	375,357	21.45%	1,750,000	413,887	23.65%
Treatment Fees - Counties	82,500	18,777	22.76%	75,000	15,857	21.14%
Connection Fees	-	4,500	0.00%	-	16,000	
Administrative Fees	5,000	2,080	41.60%	5,000	1,590	
Other Revenues	250	92	36.80%	250	910	364.00%
Total Current Revenue	\$ 3,137,750	\$ 694,426	22.13%	\$ 3,130,250	\$ 763,045	24.38%
EXPENDITURES:						
Operating Expense:						
Water System	\$ 1,540,539	\$ 322,713	20.95%	\$ 1,419,018	\$ 157,547	11.10%
Sewer System	733,054	38,241	5.22%	1,153,588	\$ 436,480	37.84%
Treatment Plant	758,083	132,862	17.53%	763,453	129,014	16.90%
Total Operating Expenditures	3,031,676	493,816	16.29%	3,336,059	723,041	21.67%
Administrative Transfer to GF	263,042	65,760	25.00%	285,920	71,480	25.00%
Operating Transfer to GF	82,626	20,657	25.00%		-	0.00%
Transfer to Gen Fund In Lieu Taxes	26,460	6,615	25.00%	26,460	6,615	25.00%
Total Transfers Out	\$ 372,128	\$ 93,032	25.00%	\$ 312,380	\$ 78,095	25.00%
<i>Net Operating Income</i>	<i>\$ 2,765,622</i>	<i>\$ 107,578</i>	<i>3.89%</i>	<i>\$ 2,817,870</i>	<i>\$ (38,091)</i>	<i>-1.35%</i>
TRANSFERS:						
Use of Prior Year Fund Balance	\$ 631,632	\$ -	0.00%	\$ 972,773	\$ -	0.00%
Transfer from General Fund	-	-	0.00%	-	-	0.00%
Total Revenue & Other Sources	3,769,382	694,426	18.60%	4,103,023	763,045	19.80%
Debt Service	\$ 365,608	\$ 43,804	11.98%	\$ 366,934	\$ 46,967	12.80%
Total Expenses	\$ 3,769,412	\$ 630,652		\$ 4,015,373	\$ 848,103	
NET INCOME		\$ 63,774			\$ (85,058)	

ELECTRIC FUND								
	2015-2016	ACTUAL	BUDGET	2014-2015	ACTUAL	BUDGET		
REVENUES:	BUDGET		%	BUDGET		%		
Sale of Energy	\$ 14,232,589	\$ 3,404,569	23.92%	\$ 14,094,334	\$ 3,194,169	22.66%		
Sale of Energy Fuel Adj	1,349,299	314,000	23.27%	2,335,039	530,852	22.73%		
Other Revenue	210,750	46,252	21.95%	241,500	121,548	50.33%		
Administrative Fee	20,000	4,480			3,620			
Proceeds Loan/Bonds	-	146	0.00%	-	118	0.00%		
Total Current Revenue	\$ 15,812,638	\$ 3,769,447	23.84%	\$ 16,670,873	\$ 3,850,307	23.10%		
EXPENDITURES:								
Energy for Resale (a)	\$ 9,873,999	\$ 2,227,550	22.56%	\$ 9,816,189	\$ 2,166,966	22.08%		
Energy for Resale Fuel Adj (a)	1,363,097	323,155	23.71%	2,335,039	435,446	18.65%		
Other Expenses	1,575,820	334,737	21.24%	1,487,039	227,956	15.33%		
Capital Outlay	273,884	55,929	20.42%	265,000	31,390	11.85%		
Reserve for Capital Expenditures	241,750	-	0.00%	250,000		0.00%		
Reserve for Cash Replenishment	300,000	-	0.00%	331,197	-	0.00%		
Total Operating Expenses	\$ 13,628,550	\$ 2,941,371	21.58%	\$ 14,484,464	\$ 2,861,758	19.76%		
<i>Net Operating Income</i>	<i>\$ 2,184,088</i>	<i>\$ 828,076</i>	<i>37.91%</i>	<i>\$ 2,186,409</i>	<i>\$ 988,549</i>	<i>45.21%</i>		
TRANSFERS:								
GF Transfer-Council Approved	\$ 1,409,891	\$ 352,473	25.00%	\$ 1,409,891	\$ 352,473	25.00%		
GF Transfer-Administrative Services	440,218	110,054	25.00%	440,218	110,054	25.00%		
GF Transfer - Payment in Lieu of Taxes	59,282	14,820	25.00%	59,282	14,820	25.00%		
Total Transfers Out	\$ 1,909,391	\$ 477,347	25.00%	\$ 1,909,391	\$ 477,347	25.00%		
Debt Service	\$ 274,697	\$ 48,380	17.61%	\$ 277,018	\$ 27,812	10.04%		
Total Expenses	\$ 15,812,638	\$ 3,467,098		\$ 16,670,873	\$ 3,366,917			
NET INCOME	\$ -	\$ 302,349		\$ -	\$ 483,390			
			5					
<i>(a) Operating expenses for energy for resale and fuel adjustment costs reflect the October payment for the September 2015 Invoice billed in September but paid in October. Financial statements reflect three months of billed revenue and three months of expenditures to more accurately reflect the Fund's cash position.</i>								

AIRPORT FUND						
	2015-2016	ACTUAL	BUDGET	2014-2015	ACTUAL	BUDGET
REVENUE:	BUDGET		%	BUDGET		%
Fuel Sales	\$ 177,232	\$ 11,930	6.73%	\$ 177,232	\$ 17,042	9.62%
Other Revenue	63,000	13,719	21.78%	63,700	14,908	23.40%
State Grants	3,000		0.00%	204,956	-	0.00%
Federal Grants		-	0.00%	1,380,406	-	0.00%
Total Current Revenue	\$ 243,232	\$ 25,649	10.55%	\$ 1,826,294	\$ 31,950	1.75%
EXPENDITURES:						
Operating Expenses	\$ 301,788	\$ 53,679	17.79%	\$ 309,167	\$ 39,107	12.65%
Capital Outlay	\$ -	\$ -	0.00%	\$ 1,617,239	\$ 11,781	0.73%
Total Operating Expenses	\$ 301,788	\$ 53,679	17.79%	\$ 1,926,406	\$ 50,888	2.64%
Net Operating Income	\$ (58,556)	\$ (28,030)	47.87%	\$ (100,112)	\$ (18,938)	18.92%
TRANSFERS:						
Prior Year Fund Balance	\$ -	\$ -		\$ 6,728		
Transfer from Other Funds	\$ 79,305	\$ -	0.00%	\$ 112,247	\$ -	0.00%
Total Revenue	\$ 322,537	\$ 25,649	7.95%	\$ 1,945,269	\$ 31,950	1.64%
Transfer to Other Funds	\$ 20,749	\$ 5,187	25.00%	\$ 18,863	\$ 4,716	25.00%
Net Transfers To/From						
Debt Service	\$ -	\$ -	0.00%	\$ -	\$ -	0.00%
Total Expenses	\$ 322,537	\$ 58,866		\$ 1,945,269	\$ 55,604	
NET INCOME(LOSS)		\$ (33,217)			\$ (23,654)	
			6			

SOLID WASTE FUND						
	2015-2016	ACTUAL	BUDGET	2014-2015	ACTUAL	BUDGET
REVENUE:	BUDGET		%	BUDGET		%
Waste Collection & Disposal Fees	\$ 1,318,079	\$ 326,038	24.74%	\$ 1,375,081	\$ 338,987	24.65%
Miscellaneous Revenue	4,000	1,630	40.75%	4,000	1,475	36.88%
Total Operating Revenue	\$ 1,322,079	\$ 327,668	24.78%	\$ 1,379,081	\$ 340,462	24.69%
EXPENDITURES:						
Operating Expenses	\$ 883,482	\$ 146,736	16.61%	\$ 885,349	\$ 155,881	17.61%
Capital Outlay	\$ 219,916	\$ 20,787	9.45%	\$ 370,000	\$ 2,822	0.76%
Total Operating Expenses	\$ 1,103,398	\$ 167,523	15.18%	\$ 1,255,349	\$ 158,703	12.64%
Net Operating Income	\$ 218,681	\$ 160,145	73.23%	\$ 123,732	\$ 181,759	146.90%
TRANSFERS:						
Prior Year Fund Balance	\$ 80,274	\$ -	0.00%	\$ 99,714	\$ -	
Total Revenue	\$ 1,402,353	\$ 327,668		\$ 1,478,795	\$ 340,462	23.02%
Admin Transfer General Fund	\$ 215,815	\$ 53,954	25.00%	\$ 195,389	\$ 48,847	25.00%
General Fund Support	\$ 55,084	\$ 13,771	25.00%	\$ -	\$ -	0.00%
Total Transfers Out	270,899	67,725	25.00%	195,389	48,847	25.00%
Debt Service	\$ 28,056	\$ -	0.00%	\$ 28,057	\$ -	0.00%
Total Expenses	\$ 1,402,353	\$ 235,248	16.78%	\$ 1,478,795	\$ 207,550	14.04%
NET INCOME(LOSS)		\$ 92,420			\$ 132,912	
			7			

CITY OF FRANKLIN
 FISCAL YEAR 2015-2016
 CASH BALANCES - SEPTEMBER 2015

FUND		CURRENT YEAR	PRIOR YEAR
General Fund	Note A	\$ 3,618,224	\$ 5,540,779
Fund SNAP Proceeds		\$ 162,605	\$ 190,267
Total General Fund		\$ 3,780,829	\$ 5,731,046
Water & Sewer Fund		\$ 1,988,991	\$ 1,905,318
Fund SNAP Proceeds		\$ 195,524	\$ 195,214
Total Water & Sewer Fund		\$ 2,184,515	\$ 2,100,532
Electric Fund		\$ 942,197	\$ 1,649,094
Fund SNAP Proceeds		\$ 144,967	\$ 360,832
Total Electric Fund		\$ 1,087,164	\$ 2,009,926
Solid Waste Fund		\$ 516,226	\$ 505,803
Airport Fund		\$ (114,301)	\$ (75,408)
TOTAL CASH FOR OPERATIONS		\$ 6,951,337	\$ 9,525,586
TOTAL CASH FOR CAPITAL PROJECTS		\$ 503,096	\$ 746,313
TOTAL CASH		\$ 7,454,433	\$ 10,271,899

Note A

The Difference in General Fund Cash from the prior year is nearly \$2.0 million. This is mostly attributable to the following:


- ~ Funds requiring a transfer from the General Fund were balanced in June 2015 prior to the year end close. In FY 2014-2015 at the conclusion of June 30, 2014; these transactions had not taken place at the time of closing and were done in October. As a result, October 2014 cash position experienced a significant decrease from September 2014 ending at \$3.98 million.
- ~ A significant amount of revenue received in August 2014 has not been received as of the end of August 2015.
- ~ July 2015 had three payroll runs and five weeks of accounts payable expenditures; July 2014 had two and four respectively.
- ~ City transfer to School Fund was \$271,000 more at the end of FY 15 than the FY14 transfer. This also impacts the beginning cash balance going forward to July 2015.



DEPARTMENT OF FINANCE

November 3, 2015

TO: Randy Martin
City Manager

FROM: Melissa D. Rollins 
Director of Finance

RE: **Budget Amendment Requests - FY 2015-2016**

Budget Amendment #2016-07 (FUND 100)

The City has been awarded the following grants:

Department	Amount		Purpose		
Community Development	\$ 6,427.00		Liter Control Grant		
City Council	\$ 5,000.00	*	Matching Grant - Rawls Arts Museum		
Total	\$ 11,427.00				

**The FY 15-16 budget includes \$5,000 for the Rawls Arts Museum. Upon receipt of the grant funds from the Virginia Commission for the Arts, the City will send \$10,000 to the Rawls Arts Museum, Courtland, VA.*

Required Action from City Council:

Authorize the acceptance of the grant awards, amendment to the FY 2015-2016 budget and the appropriation of funds for expenditure.

BUDGET AMENDMENT 2016-07

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF FRANKLIN, VIRGINIA that the 2015-2016 General Fund Budget is hereby amended to recognize additional grant funds:

<u>REVENUE</u>		<u>GENERAL FUND</u>				
				2015-2016	Amended	Increase
				Budget	Budget	(Decrease)
100	24040	8	Arts Grant - Matching Funds	\$ 5,000.00	\$ 10,000.00	\$ 5,000.00
100	24040	7	Litter Control Grant	\$ -	\$ 6,427.00	\$ 6,427.00
			TOTAL REVENUE			\$ 11,427.00
<u>EXPENSES</u>		<u>GENERAL FUND</u>				
100	11010	5699	Contributions to Community Orgs	\$ 45,251.00	\$ 50,251.00	\$ 5,000.00
100	81300	5855	Beautification - Litter Control	\$ -	\$ 6,427.00	\$ 6,427.00
			TOTAL EXPENSES			\$ 11,427.00

**Additional revenue per attached grants award notices.*

Certified copy of resolution adopted by

Franklin City Council

Clerk to the City Council



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

Street address: 629 East Main Street, Richmond, Virginia 23219

Mailing address: P.O. Box 1105, Richmond, Virginia 23218

www.deq.virginia.gov

David K. Paylor
Director

(804) 698-4020
1-800-592-5482

Molly Joseph Ward
Secretary of Natural Resources

October 8, 2015

Mr. R. Randy Martin
City Manager, City of Franklin
207 West Second Ave
Franklin, VA 23851

Dear Mr. Martin,

I am pleased to inform you that a grant award of **\$6,427.00** has been approved for the **City of Franklin** Litter Prevention and Recycling Program activities for the period July 1, 2015 to June 30, 2016. Processing of the grant awards is underway, and a payment for this amount should be received within the next two weeks if funds can be transferred electronically (EDI) or in thirty days if processing by check is required.

If you have any questions or need additional information, please contact me at prina.chudasama@deq.virginia.gov or at 804-698-4159.

Sincerely,

Sanjay Thirunagari

Sanjay Thirunagari
Manager, Recycling and Litter Programs
Division of Land Protection & Revitalization

Cc: Grant file



COMMONWEALTH of VIRGINIA

Commission for the Arts

1001 EAST BROAD STREET, SUITE 330
RICHMOND, VIRGINIA 23219-2010

June 30, 2015

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HERNDON, VA

Melissa Rollins, Finance Director
Franklin, City of
P.O. Box 179
Franklin, VA 23851

MARGARET G. VANDERHYE
EXECUTIVE DIRECTOR

Grant I.D. #: 16-0312 **Local Government Challenge Grant: \$ 5,000**
Federal I.D. #: 546001284 **Vendor I.D. #: 0000052054**

Dear Ms. Rollins:

It is a pleasure to inform you that the Virginia Commission for the Arts has awarded your locality a Local Government Challenge Grant for 2015 - 2016 in the amount on the reference line above.

Your signature on the certification of assurances attached to the application indicated your agreement to the grant conditions. Any changes in the distribution of either the local or state funds must be reported to the Commission staff. In all published materials and announcements about your local re-granting program, acknowledgement must be made that the program is partially supported by the Virginia Commission for the Arts and the National Endowment for the Arts. High resolution logos for the VCA and NEA can be downloaded from the Commission website www.arts.virginia.gov

In order to release the funds, the Commission must receive written confirmation that your local government has fulfilled the matching requirement no later than **February 1, 2016**. The requirement is met through an appropriation of 2015 - 2016 local tax revenues for arts organizations matching or exceeding the amount of the grant. **The letter must include a list of the organizations that received funding and the amount, including the Commission's match, awarded to each organization.** This confirmation must take the form of the appropriate page of your jurisdiction's approved 2015 - 2016 budget or a copy of the check(s) to the sub-grantee(s). Your confirmation letter should refer to the total actual dollar amounts to be received by the arts organization(s).

The Commission is grateful for your contribution in making high quality arts activities available to the citizens of Virginia. Please accept our best wishes for your continued success.

Sincerely,

Margaret Vanderhaye
Executive Director

OLD/NEW BUSINESS

- A. Emergency Operations Plan Readoption Resolution # 2015 – 06**
- B. City Manager’s Report**
 - 1. Portable Radio Communication System Upgrade**



Office Of The City Manager
R. Randy Martin

November 4, 2015

To: Mayor & Council Members
From: R. Randy Martin 
Subject: Emergency Operations Plan (EOP) Readoption

Enclosed is Resolution # 2015 – 06 for Council consideration. As Chief Vince Holt's memorandum indicates, the City must act on readoption of the plan at least every four years. Chief Holt and his staff have expended significant time reviewing the plan for any necessary updates and presented it to Virginia Department of Emergency management officials for their review to ensure it meets all state and federal guidelines. This is the first time the plan has been readopted during my tenure in Franklin, so I have read it in its entirety and discussed elements with the Chief and other City staff for my background.

My assessment is it is a well done plan compared to EOP's I have reviewed and helped develop during my service in other communities. Most of the effort in this review has focused on overall streamlining, updated information and correcting any changes in circumstances. This is a very important plan for the City when implemented and it is mandatory it be in place for the City to qualify for assistance from state and federal resources when qualifying events arise.

As noted, the City must adopt the resolution in November to comply with the four year cycle requirements, but this is a living document that is subject to change at any time going forward as details or conditions warrant. The entire EOP document is being distributed for your review in a separate email. Chief Holt and I are available to answer questions that you may have on the EOP.

Enclosures (2)



Franklin Fire and Rescue

100 South Main Street • Post Office Box 179 • Franklin, Virginia 23851
(757) 562-8581 • Fax (757) 562-6340 • Email vholt@franklinva.com

Vince Holt
Director of Emergency Services

DATE: November 2, 2015
TO: Mr. Randy Martin – City Manager
FROM: Chief Vince Holt
REF: City Emergency Operations Plan Re-Adoption

As required by state code the City of Franklin's Emergency Operations plan is due for re-adoption. The current plan is dated November 2011 and is required to be readopted every 4 years.

Each year the plan is reviewed and revised as necessary and on September 16, 2015 our plan was reviewed by Patricia Chappell-Emergency Planner from the Virginia Department of Emergency Management. During the review an emergency operations plan crosswalk was utilized to ensure our plan meets all of the State and Federal requirements and has the appropriate emergency support functions, annexes, and appendices. Our plan met or exceeded the crosswalk checklist.

I have attached a resolution for City Council to approve that will readopt our plan for 4 more years.

If you have any questions, please give me a call.

Thanks,



**RESOLUTION # 2015 – 06 OF THE FRANKLIN CITY COUNCIL
TO ADOPT THE EMERGENCY OPERATIONS PLAN**

WHEREAS the City Council of the City of Franklin, Virginia recognizes the need to prepare for, respond to and *recover* from natural and manmade disasters, and

WHEREAS the City of Franklin has a responsibility to provide for the safety and well-being of its citizens and visitors and

WHEREAS the City of Franklin has established and appointed a Director and Coordinator of Emergency Management

NOW, THEREFORE, BE IT HEREBY PROCLAIMED by the City Council of the City of Franklin, Virginia that this Emergency Operations Plan as revised November 2015 is officially adopted, and

IT IS FURTHER PROCLAIMED AND ORDERED that the Director of Emergency Management, or his/her designees, are tasked and authorized to maintain and revise as necessary this document *over* the next four (4) year period or until such time it be ordered to come before this Council.

DATED: November 9, 2015

Mayor

Clerk of Council



Office Of The City Manager
R. Randy Martin

November 4, 2015

To: Mayor & Council Members
From: R. Randy Martin 
Subject: Portable Radio Communication System Upgrade

As discussed at length at the Council meeting on October 26th, Police Chief Phillip Hardison, Communication Manager, Bruce Edwards and I have further considered the status of the City's Portable Radio Communication System issues experienced and options for addressing the current situation and longer term concerns. Enclosed are summary memorandums from Communication Manager Edwards that summarize the available options considered to date. In the Department's August, 2015 report to Council, it was noted that the long term goal is to upgrade the entire system including repeater locations to improve reliability and upgrade the radios and other system components to digital which will also prepare Franklin for anticipated future federal band width challenges.

All things considered, especially the immediate need to have access to all six channels to ensure service to the City's current user groups including emergency and nonemergency users, Communication Manager Edwards has presented an option that Chief Hardison and I recommend the City pursue at this time. This option addresses immediate issues, but does it with equipment that would be compatible with the new system. This course of action allows more time to further evaluate options for the long term and avoids wasting resources on potentially less expensive short term fixes that could leave us more vulnerable to failures like those recently experienced.

This option as described in the attachment costs \$30,602.50. I am prepared to authorize the work to proceed immediately to expedite completion, but this will necessitate action by Council at a later date to amend the budget to replace these funds in the Police Department budget. I will likely recommend at that time Council transfer funds from the contingency appropriation unless another option is identified before Council budget action is taken.

Enclosures (2)



COMMUNICATIONS DIVISION

Memorandum

To: Phillip M. Hardison, Chief of Police
From: R Bruce Edwards
CC: Deputy Chief Porti
Date: 11/3/2015
Re: Radio Issues

I have received a quote to repair one (1) of the channels that are in-operable. The quote amount is \$3,657.50 to replace the two combiner cans in the system for police 1. We have repaired police 1 three times in the past 12 months. The combiner cans will be returned to Telewave for a root failure cause analysis. Police 2 has been repaired once in the past 12 months and is currently not operating. Depending on the findings on the analysis it will likely need the same replacement as above. The entire combiner contains seven (7) individual channels, and should the analysis indicate it they may all need to be replaced. The cost would be \$ 25,602.50 for the combiner cans plus approximately \$5000.00 to replace the remaining isolators, totaling \$30,602.50.

The up side to any or all of these replacements is the ability to use the combiner in the new system. If we leave the system as is we are certain to continue to loose channels. This system was built August 2006. The Police and Fire talk groups see the most use; working 24 hours a day, 7 days a week.



COMMUNICATIONS DIVISION

Memorandum

To: Phillip M. Hardison, Chief of Police
From: R Bruce Edwards
CC: Deputy Chief Porti
Date: 11/3/2015
Re: Radio Quotes * Updated *

Radio System Quote 1

Two Site, Three Channel System (Fire, EMS, Police)
Includes Simulcast Paging, subscriber units, infrastructure and Dispatch Console, Kenwood Nexedge Radio Two-Site Three (3) Channels per site solution as quoted. The solution including the equipment, software or licensed products, services, and/or maintenance are called the "Assets". Additional assets may be added as agreed to by Lessor and Lessee.
Initial Lease Term: Five (5) years with annual payments in advance
Asset Total: \$880,500.77 (Cash Price)
Lease Rates:

Lease Term	Rate Factor	Est Annual Payment
5-years	.21579	\$190,003.26

Lease Start Date: April 1, 2016.

Radio System Quote 2

Two Site, One Channel System (Police Only)
Includes, subscriber units, infrastructure and Dispatch Console,

Kenwood Nexedge Radio solution for the City of Franklin Police Department as quoted. The solution including the equipment, software or licensed products, services, and/or maintenance are called the "Assets". Additional assets may be added as agreed to by Lessor and Lessee.
Initial Lease Term: Five (5) years with annual payments in advance
Asset Total: \$416,053.49 (Cash Price)

Lease Rates:

Lease Term	Rate Factor	Est Annual Payment
5-years	.21579	\$89,780.18

Lease Start Date: April 1, 2016

COUNCIL/STAFF REPORTS ON BOARDS & COMMISSIONS